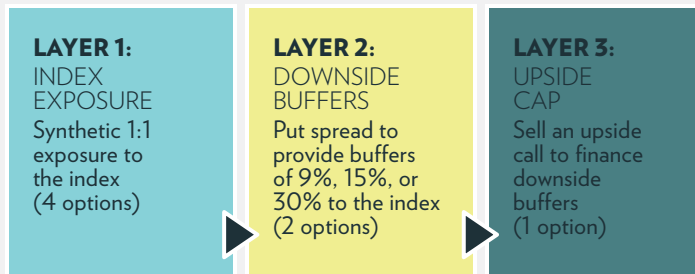


# How Defined Outcome ETFs Work

## BENCHMARK INDEX EXPOSURE WITH BUILT-IN DOWNSIDE BUFFERS THROUGH SEVEN INDEX OPTIONS

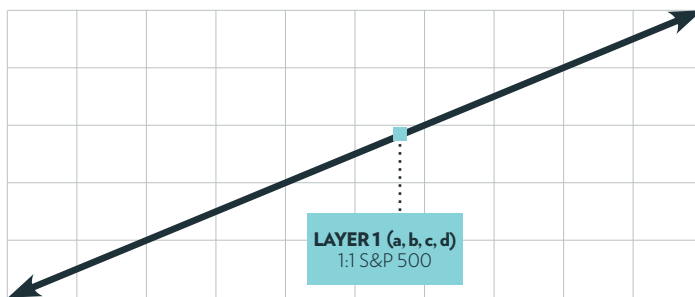
The patent pending Innovator Defined Outcome ETFs™ seek to provide investors with equity market appreciation, up to a cap, and downside buffer levels over a specified period. Each Defined Outcome ETF is typically made up of three main layers of options, illustrated below. In general, an option contract is an agreement between a buyer and seller that gives the purchaser of the option the right to buy or sell a particular asset at a specified future date at an agreed upon price. The table further depicts the strike prices and weights of each option position within each layer (Innovator S&P 500 Power Buffer ETF used for illustrative purposes) that deliver a defined outcome to investors.



LAYER	LABEL	POSITION	STRIKE
1	(a)	Purchased Call Option	60%
	(b)	Sold Put Option	60%
	(c)	Purchased Put Option	120%
	(d)	Sold Call Option	120%
2	(e)	Sold Put Option	85%
	(f)	Purchased Put Option	100%
3	(g)	Sold Call Option	TBD

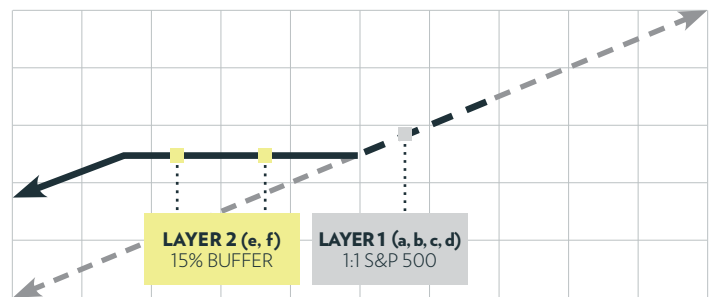
### LAYER 1: S&P 500 PARTICIPATION

The first layer involves buying and selling four options positions—two calls and two puts at pre-determined strikes to provide synthetic 1:1 exposure to the S&P 500.



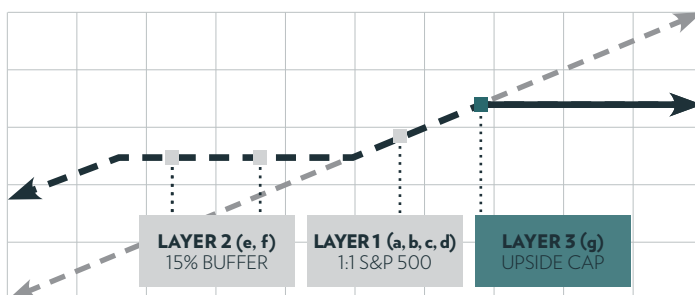
### LAYER 2: DOWNSIDE BUFFER LAYER

Incorporates a put spread. Together they produce the downside buffer of 9%, 15% or 30% relative to the S&P 500.



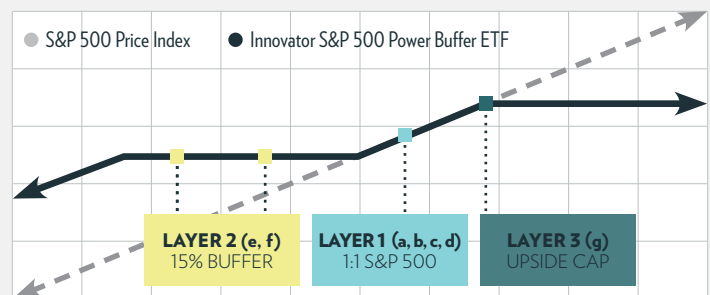
### LAYER 3: UPSIDE CAP LAYER

Involves selling a call, which “finances” the downside buffer and creates the upside cap. The strike price at which the call is sold is determined so that the combined net options purchase price is approximately equal to the Index’s current value.



### RESULTING ETF PAYOFF PROFILE

The result is a “shaped” return profile relative to the S&P 500.



A put is an option contract giving the owner the right, but not the obligation, to sell a specified amount of an underlying security at a specified price within a specified time frame. A call is an agreement that gives the option buyer the right, but not the obligation, to buy a stock, bond, commodity or other instrument at a specified price within a specific time period. The strike price is the price at which a derivative contract can be bought or sold (exercised).

**The Funds have characteristics unlike many other traditional investment products and may not be suitable for all investors. For more information regarding whether an investment in the Fund is right for you, please see “Investor Suitability” in the prospectus.**

The ETFs referred to herein is not sponsored, endorsed, or promoted by MSCI Inc. or based upon the MSCI EAFE and MSCI Emerging Markets Indexes. MSCI Inc. bears no liability with respect to the ETFs. MSCI, MSCI EAFE, and MSCI Emerging Markets are trademarks or service marks of MSCI Inc. or its affiliates (“Marks”) and are used hereto subject to license from MSCI. All goodwill and use of Marks inures to the benefit of MSCI and its affiliates. No other use of the Marks is permitted without a license from MSCI.

**Investing involves risks.** Loss of principal is possible. The Funds face numerous market trading risks, including active markets risk, authorized participation concentration risk, buffered loss risk, cap change risk, capped upside return risk, correlation risk, liquidity risk, management risk, market maker risk, market risk, non-diversification risk, operation risk, options risk, trading issues risk, upside participation risk and valuation risk. For a detail list of fund risks see the prospectus.

Non-U.S. securities and Emerging Markets are subject to higher volatility than securities of domestic issuers due to possible adverse political, social or economic developments, restrictions on foreign investment or exchange of securities, lack of liquidity, currency exchange rates, excessive taxation, government seizure of assets, different legal or accounting standards, and less government supervision and regulation of securities exchanges in foreign countries.

**FLEX Options Risk.** The Fund will utilize FLEX Options issued and guaranteed for settlement by the Options Clearing Corporation (OCC). In the unlikely event that the OCC becomes insolvent or is otherwise unable to meet its settlement obligations, the Fund could suffer significant losses. Additionally, FLEX Options may be less liquid than standard options. In a less liquid market for the FLEX Options, the Fund may have difficulty closing out certain FLEX Options positions at desired times and prices. The values of FLEX Options do not increase or decrease at the same rate as the reference asset and may vary due to factors other than the price of reference asset.

These Funds are designed to provide point-to-point exposure to the price return of the Index via a basket of Flex Options. As a result, the ETFs are not expected to move directly in line with the Index during the interim period.

Investors purchasing shares after an outcome period has begun may experience very different results than funds’ investment objective. Initial outcome periods are approximately 1-year beginning on the funds’ inception date. Following the initial outcome period, each subsequent outcome period will begin on the first day of the month the fund was inceptioned. After the conclusion of an outcome period, another will begin.

**Fund shareholders are subject to an upside return cap (the “Cap”) that represents the maximum percentage return an investor can achieve from an investment in the funds’ for the Outcome Period, before fees and expenses. If the Outcome Period has begun and the Fund has increased in value to a level near to the Cap, an investor purchasing at that price has little or no ability to achieve gains but remains vulnerable to downside risks. Additionally, the Cap may rise or fall from one Outcome Period to the next. The Cap, and the Fund’s position relative to it, should be considered before investing in the Fund. The Funds’ website, [www.innovatoretfs.com](http://www.innovatoretfs.com), provides important Fund information as well information relating to the potential outcomes of an investment in a Fund on a daily basis.**

**The Funds only seek to provide shareholders that hold shares for the entire Outcome Period with their respective buffer level against Index losses during the Outcome Period. You will bear all Index losses exceeding 9, 15 or 30%. Depending upon market conditions at the time of purchase, a shareholder that purchases shares after the Outcome Period has begun may also lose their entire investment. For instance, if the Outcome Period has begun and the Fund has decreased in value beyond the pre-determined buffer, an investor purchasing shares at that price may not benefit from the buffer. Similarly, if the Outcome Period has begun and the Fund has increased in value, an investor purchasing shares at that price may not benefit from the buffer until the Fund’s value has decreased to its value at the commencement of the Outcome Period.**

*The Funds’ investment objectives, risks, charges and expenses should be considered before investing. The prospectus contains this and other important information, and it may be obtained at [innovatoretfs.com](http://innovatoretfs.com). Read it carefully before investing.*

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